

EXHIBIT F-1

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Formulary Management

A comprehensive formulary strategy is foundational to mitigating the impact of escalating drug prices, and the introduction of new high-cost therapies.

Did you know?

Our formulary strategies help payors combat emerging cost drivers and reduce costs.

More than
\$13B
in cumulative client savings from 2012-2018

GDR
86.5%
for clients aligned with Standard Control Formulary



INSIGHT

2018 Formulary Strategy

savings through preferred placement for generics, rebates and price protection.

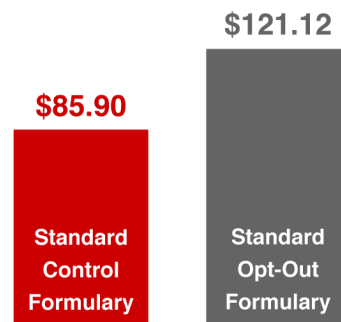
In 2012, we were the first pharmacy benefit manager (PBM) to remove certain high-cost drugs from our Standard Formulary and give preference to lower-cost, clinically appropriate alternatives leading to cost savings for clients. New-to-market drug evaluations introduced in 2015 provide day-one control and further helped reduce costs by adding clinical review of the drug to determine whether it delivers value over existing alternatives.

Our Hyperinflation Management Program, introduced in 2017, targets specific drugs with excessive year-over-year price increases when there are clinically appropriate, cost-effective alternatives available. We were first in market to move to prioritize biosimilars on our formulary for categories where these lower-cost alternatives are available. To help control rising specialty drug costs, we have also introduced indication-based formularies that tie a drug's pricing and rebates to the value it delivers.

Our managed formularies are designed to minimize member disruption. A proactive member and prescriber communication strategy helps members transition to clinically-appropriate medications, minimizing disruption. Every member's journey is unique and that's why we take a personalized approach to member outreach.

Communications informed by data analysis and predictive modeling, enable us to concentrate our efforts where they are most needed. Our engagement strategies are grounded in research, and we know that better engagement helps improve outcomes as well as member satisfaction.

Q1 2017 Post-Rebate PMPM Cost



Note: Standard Opt-Out Formulary does not include formulary removals.

Managed Formulary Options

Standard Control

Our Standard Control Formulary offers the broadest coverage of generic, brand and specialty medications of our three formularies. Updates are made at the beginning of the year with potential quarterly exclusions for hyperinflation and specialty products. It offers savings of 1 to 2 percent on pharmacy spending.

Advanced Control

Advanced Control Formulary covers select generics and brands and includes controls for specialty medications. Product and trend management strategies are updated quarterly. This formulary offers savings of up to 5 percent on pharmacy spending and an increase in generic dispensing of up to 1 percent.

Value

Value Formulary covers most generics, and select brands, including specialty medications, with tier exceptions or higher copays for non-formulary brands. Drug list and management strategies are updated quarterly. Value Formulary can deliver pharmacy spend savings of up to 8 percent and an increase in generic dispensing of up to 5 percent or more.

In addition to our formulary management strategies, **we are also announcing our new Transform Value program**, which are designed to

Considerations for your business

- Are your current formulary strategies helping you control cost?
- Are you effectively managing the impact of new high-cost drug launches and maximizing savings from lower cost generics?
- Could you save more by refining your formulary strategy?

**Have a question
about our
Formulary
Management
programs?**

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2018 Formulary Strategy

COMMENTARY



Long Term Trends in Health Care

VIDEO



Trend Drops to the Lowest Level in 4 Years

FEATURE



CVS Enterprise Note: All data is sourced from CVS Health Enterprise Pharmacy Savings Plans. Results will vary based on a variety of factors including demographics, plan design and other programs implemented by the client. Client-specific modeling available upon request.

1. CVS Health Trade Finance, 2012 – 2017E

Stay up-to-date on pharmacy benefit trends and payor solutions.

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Millions of times a day, we're helping people on their path to better health — from advising on prescriptions to helping manage chronic and complex conditions. Because we're present in so many moments, big and small, we have an active, supportive role in shaping the future of health care.

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